

RECORDATION NO.

24444

JUN 09 '03

1-24 PM

SURFACE TRANSPORTATION BOARD

Marilyn R. Ratliff

Attorney at Law

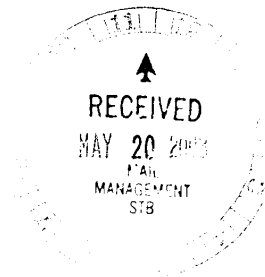
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May 12, 2003

Secretary,
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423



Dear Secretary:

I have enclosed the original and one copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the US Code. The document is a security agreement (mortgage), a primary document, dated May 12, 2003. The names and addresses of the parties to the document are as follows:

Debtor/Mortgagor: Mid-America Locomotive & Car Repair, Inc.
1601 W. Allens Lane
Evansville, IN 47710

Creditor/Mortgagee: Mary A. Lauderdale
5147 S. 400 W
Huntingburg, IN 47542

A description of the equipment covered by the document follows:
One (1) EMD GP7 MALX 466 Locomotive .

The required fee of \$28.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Mary A. Lauderdale, 5147 S. 400 W. Huntingburg, IN 47542

A short summary of the document to appear in the index follows:

To secure the repayment of a promissory note dated May 12, 2003, from Mid-America Locomotive & Car Repair, Inc. to Mary A. Lauderdale, Mid-America Locomotive & Car Repair, Inc. grants to Mary A. Lauderdale a security interest (lien) upon One (1) EMD GP7 MALX 466 Locomotive.

Enclosures

Very truly yours,

Marilyn R. Ratliff
Attorney for Mid-America Locomotive
& Car Repair, Inc.

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FILED

SECURITY AGREEMENT

JUN 09 '03

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SURFACE TRANSPORTATION BOARD

THIS INDENTURE WITNESSETH: That **Mid-America Locomotive & Car Repair, Inc.** a corporation organized and existing under the laws of the State of Indiana, grants to **Mary A. Lauderdale**, of the Dubois County, State of Indiana a security interest in certain personal property owned by Mid-America Locomotive & Car Repair, Inc. to-wit: EMD GP7 MALX 466 Locomotive, including all rents, issues, income and profits thereof.

The security interest granted by this instrument secures the repayment of certain obligations of **Mid-America Locomotive & Car Repair, Inc.** to **Mary A. Lauderdale**, and evidenced by an installment promissory note dated May 12, 2003, in the principal sum of \$40,000.00 together with interest and renewals, or extensions of any promissory notes executed by Mid-America Locomotive Car Repair, Inc., in connection with this security agreement, or future advances, which are intended to be secured by this agreement. Promissory notes executed after the date of this security agreement, which are to be secured by this agreement, shall have noted thereon a reference to this agreement.

This security agreement shall be considered as a continuing security for the repayment of all of the notes executed in connection with this agreement, and any renewals or extensions thereof, and any future advances, and this agreement shall remain in full force and effect until all promissory notes executed by Mid-America Locomotive & Car Repair, Inc. to Mary A. Lauderdale hereunder have been finally and fully paid.

For the purpose of inducing ~~the~~ Mary A. Lauderdale to make the loan hereby secured, Mid-America Locomotive & Car Repair, Inc. represents to Mary A. Lauderdale, that it is the owner of the person property described above and that legal title thereto is free and clear of all encumbrances of whatsoever kind or nature. and that the person or persons executing this Security Agreement on behalf of Mid-America Locomotive & Car Repair, Inc. has authority to execute this mortgage and to bind the same. BEK

As additional security for the repayment of its obligations ^{to} Mary A. Lauderdale, BEK Mid-America Locomotive & Car Repair, Inc. also assigns to Mary A. Lauderdale all rents, or other income due Mid-America Locomotive & Car Repair, Inc. by reason of the personal property described above. Mary A. Lauderdale may, at her option and without the further consent of Mid-America Locomotive & Car Repair, Inc. notify any person or entity owing rent or other sums to Mid-America Locomotive & Car Repair, Inc., by reason of the use or possession of the personal property described above to direct all rent or other payments due Mid-America Locomotive & Car Repair, Inc. to her for application toward satisfaction of the debt secured thereby. BEK

Mid-America Locomotive & Car Repair, Inc. covenants and agrees with Mary A. Lauderdale:

1. That Mid-America Locomotive & Car Repair, Inc. will pay Mary A. Lauderdale the sums of money above mentioned without relief from valuation or appraisal laws, and also reasonable attorney's fees incurred by the Mortgagees in the collection of any of such sums due.

2. That Mid America Locomotive & Car Repair, Inc. shall keep all legal taxes and assessments against said personal property paid and keep and pay for appropriate insurance on said property, with insurance companies approved by Mary A. Lauderdale against loss in a fair valuation amount, loss, if any, payable to Mary A. Lauderdale as her interest may appear; and on failure of Mid-America Locomotive & Car Repair, Inc. to pay such taxes or assessments or to procure such insurance, Mary A. Lauderdale may, at her option, without notice, pay such taxes or assessments, either before or after the same become delinquent, or effect such insurance and the amount paid by the Mary A. Lauderdale in so doing shall become a part of the debt secured hereby, together with interest thereon at the rate provided in the most recent note then secured by this Security agreement.

3. That upon failure to pay the initial promissory notes or any other note secured by this agreement, or upon failure to pay the interest thereon, as and when the same becomes due and payable or upon failure to pay the taxes, assessments or insurance as aforesaid, or to do or perform any of the other provisions, conditions or agreements of this mortgage on the part of the Mid-America Locomotive & Car Repair, Inc. to be performed and fulfilled, then the principal note or notes aforesaid, as well as all interest then in arrears, shall, at the option of Mary A. Lauderdale, without notice, become immediately due and payable, and Mary A. Lauderdale may proceed to take possession of the personal property described above, to sell the same and apply the proceeds, less the reasonable costs incurred in taking possession and in the sale to the balance due and may otherwise exercise her rights as a secured creditor under applicable law.

4. All rights and remedies of Mary A. Lauderdale hereunder are cumulative and are in addition to and not in limitation of any rights or remedies which Mary A. Lauderdale may otherwise have by law. No waiver of any default or failure or delay to exercise any right or remedy by Mary A. Lauderdale shall operate as a waiver of any other default or of the same default in the future or as a waiver of any right or remedy with respect to the same or any other occurrence.

5. If Mid-America Locomotive & Car Repair, Inc. shall sell, assign or otherwise transfer ownership of the personal property described above, without the prior written consent of Mary A. Lauderdale, all indebtedness secured by this agreement shall, at the option of Mary A. Lauderdale, and without notice or demand, become immediately due and payable.

6. This security agreement also secures modifications, extensions, and renewals of any note or other evidence of indebtedness secured hereby secured is fully paid.

I, Bruce E. Knight, certify that I am the President of Mid-America Locomotive & Car Repair, Inc., that this instrument was signed on behalf of said corporation by virtue of the authority of its Board of Directors and I acknowledge that the execution of the foregoing instrument was the free act and deed of said corporation.

I further verify under penalty of perjury that the foregoing is true and correct.

Executed on May 12, 2003.

**MID-AMERICA LOCOMOTIVE &
CAR REPAIR, INC.**

Bruce E. Knight
by: Bruce E. Knight, President

STATE OF INDIANA)
) SS:
COUNTY OF VANDERBURGH)

Personally appeared before me, a Notary Public, in and for said County and State, Bruce E. Knight, in his capacity as President of Mid-America Locomotive & Car Repair, Inc. and acknowledged to me the free and voluntary execution of the foregoing instrument on behalf of Mid-America Locomotive & Car Repair, Inc. for the uses and purposes therein set forth.

WITNESS MY HAND AND Notarial Seal this ____ day of ____, 2003.

Karen S. (Wolf) Hadfield
Signature of Notary
KAREN S (WOLF) Hadfield
Printed Name of Notary

My Commission Expires: 11/7/08

County of Residence: VANDERBURGH

This instrument prepared by Marilyn R. Ratliff, 123 N.W. 4th Street, Suite 304,
Evansville, Indiana. Telephone: (812) 434-4918